

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7722

BILL NUMBER: HB 1647

NOTE PREPARED: Apr 6, 2007

BILL AMENDED: Apr 5, 2007

SUBJECT: College Head Start.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *21st Century Scholars*: This bill expands eligibility for the 21st Century Scholars program to grade 7 students. The bill allows an eligible student to apply for the scholarship for part time study.

GED: Provides that an individual must be at least 18 or have withdrawn from school with permission to receive a GED diploma.

Graduation Calculation: The bill modifies the formula for determining graduation rates, and adds an informational five-year and six-year graduation rate determination.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) *Twenty-First Century Scholars*: The bill changes the grade for eligibility to enter the program from Grade 8 to Grade 7. The bill should have no fiscal impact since the State Student Assistance Commission currently enrolls 7th grade students into the program..

Allowing the grant to be used for part-time students could increase the number of students that would qualify for awards. The part-time student would have to be enrolled in at least 6 credit hours of classes. It is unknown the number of students that might attend part-time instead of full time. The State Student Assistance Commission does have a part-time award that is used by 5,409 students with an average award of \$1,022. The part-time awards are limited by the amount of the appropriation but the 5,409 part-time awards make up about 8% of the total awards. If the 21st Century Scholarship had a similar experience, the number of awards could increase by about 716 awards and scholarships could increase by about \$731,000.

Background: The General Fund appropriations for the 21st Century Scholars Program have been the following.

	FY 2004	FY 2005	FY2006	FY2007
Administration	\$2,586,443	\$4,086,443	\$2,000,000	\$2,000,000
Awards	\$15,996,500	\$18,402,449	\$18,402,449	\$19,171,429

GED: The provision that a person must be at least 18 or have withdrawn from school with permission to receive a GED diploma could reduce the number of GED diplomas granted but the number is probably minor.

Graduation Calculation: The bill defines calculation of a four, five, and six graduation rate of schools. The four year graduation rate calculation is the number of students graduating in a year divided by the number of student enrolled in 9th grade at the period of reporting year four years before adjusted the number of students that have entered and left the graduating class. The bill also calculates a five year and six year graduation rate. Setting the method of determining the graduation rate should have no fiscal impact on the state.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission, Department of Education.

Local Agencies Affected: Local Schools.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.